

Medical Reimbursement Reconfiguration Information

In early 2024, the Commission on Ministry was informed that churches providing direct reimbursement for out-of-pocket medical expenses should no longer be recommended or required as policy. In May 2024, the Commission on Ministry approved the following process for reconfiguring pastors' terms of call.

Qualifiers and Disclaimers:

- This advice pertains **only** to Pastoral calls approved in 2024 and that include a line for medical reimbursement (sometimes noted as medical deductible).
- All the options for reconfiguring a Pastor's 2024 terms of call, as presented, are cost-neutral and will not impact the congregation's bottom-line cost. **The Commission on Ministry has determined that any changes to a Pastor's terms of call, as long as the bottom line cost does not change, do not constitute a change in terms of call. Therefore, a congregational meeting is not needed.**
- The Commission on Ministry recommends that the Pastor(s) and the Personnel Committee (or its equivalent) develop a plan for reconfiguration and present it to the Session for approval.
- If a Pastor wishes to continue submitting medical expenses for reimbursement, the COM recommends establishing a Healthcare FSA.
- For more information on the Healthcare Flexible Spending Account (FSA) option available through the Board of Pensions, [please visit their website](#).

Option 1: Flexible Spending Account (FSA) with Matching Employee Contribution

- If an employee currently has an FSA Account and is contributing an amount equal to or greater than 2% of their effective cash salary
- OR an employee is willing to establish an FSA account and contribute an amount equal to or greater than 2% of their effective cash salary.
- The amount currently designated as "Medical Deductible" should be renamed "Church FSA Contribution" and used to match the funds contributed by the Employee.

Option 2: Flexible Spending Account (FSA) with less than 2% or No Employee Contribution

- If an employee does not want to contribute to a flexible spending account or wants to contribute less than \$500, the employer can fund up to \$500 without a corresponding match.
- If an employee wishes to contribute more than \$500 but less than 2%, the employer can match up to that amount.
- The remaining funds would be reallocated into salary, Board of Pensions dues, and SECA offset (if applicable). This change must be reported to the Board of Pensions as it will change the effective cash salary.

Option 3: Discontinue medical reimbursement entirely.

- The funds initially designated for medical reimbursement would be reallocated into salary, Board of Pensions dues, and SECA offset (if applicable). This change must be reported to the Board of Pensions as it will change the effective cash salary.

A change in policy such as this qualifies as a change in life event. As such, [Further](#) (the Board of Pensions FSA partner) has indicated that they will allow new FSAs to be established and current ones amended outside of the typical open enrollment season to accommodate this policy change. You will [find on our website](#) a downloadable, Microsoft Excel-based calculator where you can enter the current 2024 terms of call and review various terms of call for the options shown above.

If you have any questions, don't hesitate to get in touch with the Commission on Ministry Office @ 412-697-9209